

**UTAH STATE TAX COMMISSION**  
**NOTICE OF PROPOSED NEW RULE OR RULE CHANGE**

The proposed rule was submitted to the State of Utah Division of Administrative Rules on 06/05 and 06/06, 2008.

**Proposed Rules or Change:**

**Rule Number:** R861-1A-1

**Title:** **Administrative Procedures Pursuant to Utah Code Ann. Section 59-1-210.**

**Summary:** The rule is unnecessary. The repealed language either exists in statute or is not needed.

**Rule Number:** R861-1A-3

**Title:** **Division Conferences Pursuant to Utah Code Ann. Section 59-1-210 and 63-46b-1.**

**Summary:** Proposed amendment repeals language discussing pre-hearing conferences since the commission no longer conducts pre-hearing conferences. Provisions relating to conferences appear in R861-1A-26.

**Rule Number:** R865-6F-35

**Title:** **S Corporation Determination of Tax Pursuant to Utah Code Ann. Section 59-7-703.**

**Summary:** Proposed amendment deletes language referring to deductions that no longer exist because of recent statutory changes; adds a recapture provision required by federal law that has been commission practice.

**Rule Number:** R865-9I-6

**Title:** **Returns by Husband and Wife when One is a Resident and the other is a Non-Resident Pursuant to Utah Code Ann. Section 59-10-119.**

**Summary:** Proposed amendment repeals references to deductions that have been repealed with the passage of the single rate income tax.

**Rule Number:** R865-9I-50

**Title:** **Addition to Adjusted Gross Income for Interest earned on Bonds, Notes, and Other Evidences of Indebtedness Pursuant to Utah Code Ann. Section 59-10-114.**

**Summary:** The proposed amendment replaces "federal taxable" income with "adjusted gross" income to follow changes to the calculation of state income tax.

**Rule Number:** R865-19S-94

**Title:** **Tips, Gratuities, and Cover Charges Pursuant to Utah Code Ann. Section 59-12-103.**

**Summary:** Proposed amendment deletes language indicating that if a tip is included on a patron's bill and the total amount of the tip is passed on to the server, the tip is not subject to sales tax. The current definition of sales price includes a charge by the seller for any service necessary to complete the sale. Thus, all tips included on a patron's bill are subject to sales tax.

**Rule Number:** R861-20T-13

**Title:** **Calculation of Tax on Moist Snuff Pursuant to Utah Code Ann. Section 59-14-**

**302.**

**Summary:** The proposed rule indicates how the tax on moist snuff is calculated when the weight of the moist snuff is a fractional part of one month.

**The Public comment on these rules ends on 7/31/2008. This proposed rule was published in the Utah State Bulletin and posted on our website at [www.tax.utah.gov](http://www.tax.utah.gov).**

Public comments on these rules can be addressed to the attention of Commissioner Dixon and emailed to [taxrules@utah.gov](mailto:taxrules@utah.gov), faxed to 801-297-3919, or mailed to The Office of the Commission, Utah State Tax Commission, 210 N. 1950 W. Salt Lake City, Utah 84134. For questions, please call Cheryl Lee at 297-3900. Full text of rules can be found at [www.tax.utah.gov](http://www.tax.utah.gov). If you would like to receive notice of future rule items, email [cleee@utah.gov](mailto:cleee@utah.gov) with your name, email address and request to be added to the Tax Commission rules list server.

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A copy of this notice was posted in the front foyer of the Tax Commission Building, Salt Lake City, Utah and on the Tax Commission Website at [www.tax.utah.gov](http://www.tax.utah.gov). The Commission public information officer also provided copies of this notice for the news media via electronic transmission.

**Posted 6/06/08**